

**CITY COUNCIL MINUTES**  
**June 10, 2013**

The Honorable Council of the City of Evansville met on regular session at 5:30 p.m. on Monday, June 10, 2013 in the City Council Chambers, Room 301 Civic Center Complex, Evansville, Indiana, with President Connie Robinson presiding. The following business was conducted.

**These minutes are not intended to be a verbatim transcript. Audiotapes of this meeting are on file in the City Clerk's Office.**

**ROLL CALL:**

**Present:** McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, Adams, O'Daniel, Weaver, Robinson

There being nine (9) members present and zero (0) members absent and nine (9) members representing a quorum, I hereby declare this session of the Common Council officially open.

**PLEDGE OF ALLEGIANCE**

This evening the pledge of allegiance is led by Boy Scout Troop 399.

Fellow Councilmen and those in the audience, welcome to the June 10, 2013 meeting of the Common Council.

**COUNCIL ATTORNEY**

This evening Scott Danks is City Council Attorney.

**SERGEANT AT ARMS**

This evening Officer DeYoung is Sergeant at Arms.

**READING AND AMENDMENT OF MINUTES**

Is there a motion to approve the minutes of the May 13 and May 20, 2013 meetings of the Common Council as written?

Councilwoman Mosby moved and Councilwoman Brinkerhoff-Riley seconded the motion to approve the minutes of the meetings of the Common Council held May 13 and May 20, 2013 as written. Voice vote. So ordered.

**President Robinson:** I'm going to deviate at this time from the agenda and our City Controller has informed me earlier this afternoon that he has to go to Fort Wayne so I think we need to be a...it's a long drive and we need to let him get out of here. So I'm going to turn it over to the Finance Committee, I'm going to have a Special Finance Committee and I'm going to ask John Friend, I'll turn it over to you and then I'll go back to City Council.

**Chairman Friend:** Sure.

**President Robinson:** And please be cognizant of the time.

**Chairman Friend:** I'm very much aware of that. This special meeting tonight is to get a report from our consultant about the state of affairs, as he believes the proof of cash, if you will, the bank reconciliations as they are as of December 31, 2012. The reason he will not have any reports in the interim periods of time, he did not receive the bank reconciliations for January, February and March until May 21 this year. So obviously that's only been less than two weeks

away and I'm sure he's working on those and so we won't have any interim reports but I've got some of my own questions I'm going to have later about March as we get into it. So with that, I'd like to call Mr. Garrett to the podium if he can and give us his views here.

Thank you Dave for coming this evening.

**David Garrett:** David Garrett. John asked me to drop by today, this evening, to talk a little bit about the December 31, 2012 statements that will be coming up here shortly; the State Board of Accounts, I'm not sure when they start but it's relatively soon.

We got the statements from Russell Lloyd on February 11. I think it was actually February 12, was a Council meeting. We got six months, June through December, all at once. Talking about the December 2012, I actually finished that report. My December report was sent to John Friend on March 17, 2013, which was actually St. Patrick's Day, and my finding at the time was that the City's accounts were not reconciled; got a lot of technical reasons why that was but there were three unexplained variances in three bank accounts and it is my opinion that the variances have been plugged instead of fully reconciled so I was not of the mind to comment on that March 17<sup>th</sup> report to state that they were reconciled. I don't feel they were reconciled and I will also say that as of today I still don't believe they're reconciled and I stand by my report.

I want to emphasize though that I didn't make just a rash decision, in other words, I'd had the statements from February the 12<sup>th</sup> through March 17, a little over a month. I actually went the extra mile, hung in there, and did some subsequent events testing. I bet for the last 90 days I've been exchanging emails with Russell, Dan Hedden on several occasions, and the bottom line is we still don't have anything that would take unexplained variances, a million dollars in sewer and 6.4 million in water, there is nothing that would explain what comprises those unexplained variances. So if you can't explain a variance of that magnitude, that's a material amount of money for just about anybody. It's not reconciled.

The gist of the position taken by the City Administration, and they are certainly free to have their own view, is that the items that caused the reconciliation to come out in their mind had to do with so-called Legacy Funds. They opened up some bank accounts for Water & Sewer in mid-2012 and they believe that there was some return of funds needed to the Water & Sewer Utility, which was about 7.5 million dollars and there is an offset to the City's main account, but I guess the bottom line is, for those three unexplained variances, we don't know what the 6.4 million was, we don't know what the 900 thousand was, that 7.5 million is just unknown. They've basically offset those with what I call a plug, in a common parlance in accounting, they're calling offsetting entries but it's pretty well accepted in the accounting world that you can't take material variances like that and just say, "Well we don't know what it is and we are going to state that it's, you know, Legacy Funds".

We actually asked for the methodology; give us the methodology by which these funds were supposed to be returned to the utilities...I was never provided with that. We also asked them for specifically the work paper that would allow us to see that methodology and actually your process, you know, support your position, and that also was not forthcoming.

We got a document, I think last Friday the 7<sup>th</sup>, which purported to be the final work paper, we've been asking, really for over three months now, since March 17<sup>th</sup>, and it was literally a list of reconciling items where they inserted the number that's been plugged and it comes out to the

amount they needed to balance. So it's my opinion that the accounts are not reconciled. I think they have plugged a number that they really should have maybe spent more time on to try the origin of the variance. You know your systems come into play there because if you have a variance and you can't explain it, it's prone to reoccur and that work wasn't done so my position on that is they are not reconciled. They are free to...you know, the final judge in all this will be the State Board of Accounts so I think my work will hopefully make its way to the State Board. Russell and his staff can certainly have their own opinion on that as well but, at the end of the day, we sit here and debate all night but the State Board of Accounts will be the final arbiter of whether or not the accounts are reconciled.

**Chairman Friend:** Are you suggesting though that this Council is an oversight function, cause that's why you were brought on here, for oversight functions. I made very clear to everybody because in the report that the SBOA came out in 2011, it really dinged this body for lack of oversight.

**David Garrett:** Yes it did.

**Chairman Friend:** It sure did. So this is the purpose of Mr. Garrett and what we need to do is just go ahead and state that our...that is our opinion, based upon our consultant's opinion, that they needed to expand the audit procedures that relates to proof of cash.

**David Garrett:** Yeah, I think that's, I mean that's always a good idea in my mind, even if you didn't have any findings but just an expanded rec...my recommendation, if that's what you are asking, would be to put them on notice and then suggest that we'd like to see a proof of cash methodology employed in trying to analyze these variances. It's really pretty straightforward. I mean they do this stuff all the time.

**Councilman O'Daniel:** What would be considered a...I mean, 6.4 million and 900 thousand, those a pretty sizable sums. What's a material variance though? I mean, is there a definition for that?

**David Garrett:** There is. It's usually...

**Councilman O'Daniel:** There are thousands of entries and there always seems to be some variance, whether it be small or \$10,000 that you're going to have in a month and sometimes a *(Inaudible)* to that offsetting entry in order to make it balance.

**David Garrett:** Quite right, and there's, you know, there's a certain point at which you would say, "Hey, you know, we've made a heck of a lot of progress". We got this last...and it's actually 15 million because you have to use the absolute value of variances when you are analyzing them, so it's 15 million and there is a point in time when you're, you know, playing catch-up like Russell Lloyd and his group had to do. You can come out at the end of the day and you say, "Golly, you know, we're not done. We've made a lot of progress but you know what? We still got 15 million to go and we are going to keep that as a reconciling item at year end". Another thing you could do is say, "Hey, man we've went so far and we honestly don't know what it is but we think it's going to take another a quarter of million dollars to find it and there is some offsetting there and we'd like to, you know, point out that we think it's cost effective just to move on down the road". And I guess my concern as an accounting person is that it's my

belief that the perception is that they don't...they've never declared that it's been plugged. They want to continue to believe that if there is, you know, some basis for these rec items.

**Councilman O'Daniel:** Let me ask you this. I mean, I'm not an accountant so I'm trying to put my hands around it. Obviously, from what I understand, in January there was a transfer of roughly 7.5 million dollars back to the utilities...

**David Garrett:** Yes.

**Councilman O'Daniel:**...for, call it Legacy debt.

**David Garrett:** Right.

**Councilman O'Daniel:** Something that they've gone through and they haven't been able to find some evidence as to why that is. What would be your, I mean from an accountant's standpoint or looking at this from an auditor's standpoint, would you just leave it in the Civil City account and then the Utility would be less? I mean would that...

**David Garrett:** My opinion would be that if you're an accountant you wouldn't make the transfer unless you already have the backup.

**Councilman O'Daniel:** So you would have left it as it is.

**David Garrett:** Yes, I would have just left it and said, "Hey listen, we..." Honestly, they did a lot of work and they've made a lot of progress from the prior administration that left quite a mess. However, I don't think they got all the way. I mean when you have unexplained variances like that, I think it's really, especially in a public forum, it's bad form to just say, "Jeez, we are just gonna net these things and move on down the road".

**Councilman O'Daniel:** And I guess then, my question so I can understand this then, is because that (*Inaudible*), there had to be some basis upon which the Administration or Mr. Lloyd had moved the money over, and I guess...have you been given an explanation as to why the money was moved?

**David Garrett:** I've been given a number of explanations...

**Councilman O'Daniel:** 7.5, I mean the explanation, why it was moved without necessarily having documentation.

**David Garrett:** I've been giving several explanations with the appropriate documentation.

**Councilman O'Daniel:** And what was that?

**David Garrett:** The explanation?

**Councilman O'Daniel:** Yes.

**David Garrett:** The explanation was that it was Legacy Funds being returned to the Water & Sewer Utilities, but again, no methodology provided and certainly no work paper that would say

specifically. There was also, at some point, you know, it's been 90 days for emails and so forth but the consultant, for example, even before I issued my March 17 report, he used the terms, "It's a transitive conclusion that this one's high and these two are low so we should just, you know, net these off".

**Councilman O'Daniel:** And I guess, and I don't know if this is the proper time to ask Russ, if he would want to come forward and give his explanation, what this is and why that adjustment was made.

**David Garrett:** I would say he is certainly entitled to do that. What I would suggest also is that, like I said, I'm not the final judge, Russell is not the final judge, the State Board of Accounts will be the one that says this either passes muster or it doesn't so I'm trying to share with you my opinion on if I was doing it, here's what I would do differently.

**Chairman Friend:** Dave, one question I gotta ask. Well I guess what I'm puzzled about is along the way we kept...then we got dinged because the State Board of Accounts always criticizes the fact that we had the utility operations intermingled with the other funds of the City.

**David Garrett:** That's right

**Chairman Friend:** So they wanted us to break those apart cause they were two separate entities. It was like having two companies using the same bank account.

**David Garrett:** And that was for apparently many years in a row...

**Chairman Friend:** Many years in a row. Well I guess what I'm puzzled about is that each month you take a look at this, you can find out the Utility said they had a certain amount of money in their fund. Whatever that money was, that's what they had. I couldn't understand why they didn't have a break-off, and maybe Russ can answer this. At June 30<sup>th</sup>, say, they look and they see what the fund balances are in the Utility and they write...they just write a check, right out of the main account and they deposit it right into the new Utility account because that's what their fund balances say is theirs. That's what I'm a little confused about this Legacy funds...

**David Garrett:** Right, and because in fact the 8.3 million was sent and the only methodology we received, as you recall, was an email from James Cameron of Umbaugh, the CPAs, whereby, "Hey, we are going to true these things up at April 30<sup>th</sup>". Well, okay, there you go, there is your methodology and then later on we get notations being inserted in the October 2012 bank rec, of all places. I don't know why you would ever notate the fact that we have to reconcile. It doesn't make any sense so...makes no sense at all to me anyway.

**Councilman McGinn:** May I ask a question? Hi David. This is from a guy that knows nothing about accounting but from what you've just said, tell me is this in thumbnail, total lay person summary. The Water & Sewer account had seven and a half million dollars too much in it...

**David Garrett:** Too little

**Councilman McGinn:** ...or too little. And then...but the City account had seven and a half too much.

**David Garrett:** Not one for one, but close. Yeah, that's right.

**Councilman McGinn:** Okay, so there is 7 ½ million too little in this account, 7 ½ million too much. So they just took the too much and put it over in the too little account to even them up, basically.

**David Garrett:** Yeah.

**Councilman McGinn:** And the only way to find out how this got too much and that got too little is to spend a quarter of a million dollars?

**David Garrett:** I used that just as a figure of speech.

**Councilman McGinn:** Oh, okay I thought...okay.

**David Garrett:** I'm saying what would be the context by which one would consider plugging a number and moving on...

**Councilman McGinn:** Okay.

**David Garrett:**...and that would be the cost of *Go Find It*.

**Councilman McGinn:** Okay, but real money-wise, I mean there is not seven and a half million dollars missing, we just don't know how this one showed too much and this one showed too little.

**David Garrett:** That's right, yeah.

**Councilman McGinn:** All of the money is accounted for. It's just how it got...this account is not there...

**David Garrett:** \$18,000.

**Councilman McGinn:**...and that could have happened 20 years ago.

**David Garrett:** Right. No, no, no...

**Councilman McGinn:** Well you said this mingling of accounts has been going on for years and years and years, the Water & Sewer.

**David Garrett:** That had nothing to do with it.

**Councilman McGinn:** Okay.

**David Garrett:** You have to ask when was the last time they were reconciled. It was, well, you know, later than that.

**Councilman McGinn:** 2000... that would have been 2000...when were they reconciled last, 2009, 10?

**David Garrett:** In 2010, they were reconciled.

**Councilman McGinn:** In 2010.

**David Garrett:** (*Inaudible*) and Russell's reconciled several more months so, no it did not originate from 20 years ago.

**Councilman McGinn:** Okay, so somewhere between 2010 and now, we don't know how this account got 7 ½ million too fat and this one too lean.

**David Garrett:** Right.

**Councilman McGinn:** But the net result is the money is all there.

**David Garrett:** But I guess, only to point out from an auditor's standpoint, they are obviously gonna be asked to, say, characterize this adjustment and this transfer that was made and why you pulled an entry in December. They may look at it and say that's fine. I'm just stating that my opinion (*Inaudible*) I would not do that. I would...I mean if you make the decision that you're going to plug a number and you've got a justification, so be it but don't try to characterize it as: this is a reconciling item involving Legacy Funds and no methodology and no work paper.

**Councilman McGinn:** Okay, I understand, but as a taxpayer, I'm just happy there is no money missing.

**Councilwoman Brinkerhoff-Riley:** No, there is no money gone but it's like, for me, I've got a business account and I've got a trust account and the funds cannot be comingled and the money is very specific in terms of what's allowed to be in my trust account. My trust account is unearned funds. So what you're basically describing is a situation where I discovered that I have a \$1000 too much in my business account and I'm missing \$1000 in my trust account. There is no money gone but I'm missing a grand over here and my solution is to simply transfer \$1000, no harm, no foul. We all know that I couldn't really do that. I would have to figure out...

**David Garrett:** Exactly.

**Councilwoman Brinkerhoff-Riley:**...why my trust account was \$1000 short. I think what I hear you saying though is that whatever happened in the last 2 ½ year, because it has just been since January of 2011, that this term "plugging" is where you just say, "Look, I don't know. The money is all here. I don't really know". The money is all here because it might actually be cost prohibitive to go back...for me, it would probably take all day of cussing and screaming but I could probably figure out, sit down and figure out why my accounts are off. But what you're saying is that it could be very expensive to try and figure out why there's 700...why these...this one is short and this one is fat.

**David Garrett:** They had a consultant in for two years trying to straighten out the bank recs.

**Councilwoman Brinkerhoff-Riley:** Yes, it's \$900,000. I understand what we've tried.

**David Garrett:** I guess what I'm saying is...and another point to make is that it may be complexly coincidental. In your case with a regular checking account and a trust account, you may have two different problems...

**Councilwoman Brinkerhoff-Riley:** Right, right but it's a complete coincidence it happens to be a thousand and so I just swap 'em over and move on.

**David Garrett:** Right.

**Councilwoman Brinkerhoff-Riley:** And that's really what's happening here is we're just swapping it over and moving on.

**Chairman Friend:** David I need to talk to you about from the standpoint of the bank reconciliation items really, generally would be what we would have in the general ledger. Would that not be true? I think, Russ, you would agree with that, from an accounting standpoint. I'm gonna talk shop here. Accounting...the bank...if I look at the bank reconciliation and it said \$50,000 and I looked at my general ledger it said 10, I got an issue. Correct?

**David Garrett:** Gotta explain it, yeah.

**Chairman Friend:** Yeah you gotta explain it. We talked about this before and you put me on to this. I've got...we're gonna move this in the end of March and I'm going to...we're gonna....I'm gonna give you an example here shortly. What, maybe, did you ever do, and I don't think we've done this yet, but take all the accounts, the complete, absolute Yellow Book numbers. Take the total, let's take all of it together. Okay, take all the recs. Now there is...if I understand, there's three bank accounts. Okay we got the main account. That's the 3768 account. We got another account, which is the payroll clearing account, and we've got another account, which is a DMD type of account sitting over there. Three of 'em over there, main. We've got two of them over in Utility by the end of the year. We got Water & Sewer, we got that, and there's another little account over there they use for deposits but that's usually the minimus number altogether. And there is one other account out there and that's the Levee Authority account. All those accounts together. Now I think we got bank reconciliations on all those accounts that say we have a general ledger total. Have you had a chance to take the Yellow Book, take that as general ledger totals, total them up, pull out the investments, pull those investments out of there? And there is account 550, there's account 858 and account 859, which is not our money, it needs to come out of there. I won't explain why but it needs to come out. Now you take that number and it needs to tie back to the rec in total, in the totality.

**David Garrett:** By definition it has...I mean...

**Chairman Friend:** Yeah by...it has to balance to the GL. But we have...I don't know I've...*(Inaudible)* we've done that yet. That's a function I'd like to maybe get with you later and go through it. But anyway, any other questions from Councilmembers?

**Councilwoman Brinkerhoff-Riley:** I just wanted to say that I...what you have done for this Council since October is allowed us to, for a lot us that aren't CPAs, to actually understand the issue and to feel like I actually have some concept of what I'm supposed to be doing in terms of oversight. I don't expect you to be at every meeting. I don't expect Don Hedden to, Dan



Hedden to be at every meeting. Russ Lloyd selected Dan Hedden without bidding that because that's who he wanted to work with and now we've given that firm almost a million dollars. John Friend asked...he needed help. Under the circumstances, I was more than happy to hire someone that he was comfortable working with for \$9,000 that we've given you in the last five months. You've more than earned it. You've kept this issue at the forefront of everyone's attention because we need to remember what the issue is. To the Courier & Press, to the TV stations, the issue is that our Controller's Office cannot operate independently without outs...without third-party assistance. In two and a half years, our Controller's Office cannot operate the software that we've purchased. We cannot run independently yet. Things are getting better. The Office works really hard. We cannot run independently yet. We've spent millions of dollars and the Controller's Office has yet to be able to comply with the statutes that require that the bank accounts be reconciled on a monthly basis. That's the issue. The issue is not whether you are here or not here or whether you've met with someone on Johnson Controls. You have done exactly what you have been hired to do and your role is no different than Hedden's and I appreciate your work. I think what happened last week was comical, inappropriate and a distraction and the community needs to focus-back on what the real issue is, which is getting through our audit with the State Board of Accounts, and the Controller's Office being able to run independent of a third-party like Umbaugh. And so I just got annoyed to watch all the distraction because you actually are doing exactly what you were hired to do and you are doing it for a pittance compared to what the Administration is paying Umbaugh.

Thank you very much.

**David Garrett:** Thank you. I would like to also just like to make a comment about Russell Lloyd and Jonathan Weaver questioning whether or not I was fulfilling my contract, and they saw fit to take their beliefs to the television stations over the weekend. And I just want to reiterate what John said, and Russell you can check Jean Carlson's email. May 21<sup>st</sup> was the date I got the January, February and March. That was 110 days after the end of January that I received that one. It was 80 days after the end of the February and it was 50 days after the March so I've only had those for 20 days as of today and I think that was highly inappropriate and I'm just really interested in you speaking Jonathan or you Russell. What are you expecting in terms of fulfillment of a contract when the Controller's Office has taken the time to get those reconciliations out and I've had it for less than half of the shortest period. That doesn't seem appropriate or reasonable or fair to me.

**Councilman Weaver:** Well first of all I want to say thank you for being here. This is what I expect of you and you are doing a good job tonight. Yeah when you say you sent a report to John Friend on March 17...

**David Garrett:** I did.

**Councilman Weaver:** I have not received that report or seen it. Yeah, it just goes back to what I said on that interview the other night. What I've seen of your work, there is always a question of...you know your assertions are wrong, you're wrong here, you missed the point, so that's the issues I've been...

**David Garrett:** Are those your assertions?

**Councilman Weaver:** These are what I've read from the City Controller in his memos on what you have given us.

**David Garrett:** My job is to provide oversight of that function so he's certainly free, Russell, you're free, obviously, as he knows to disagree with any assertion I make. At the end of the day, like we said, the arbiter, the judge, is the State Board of Accounts. I don't think that was fair game, the tactics you've employed bringing this in front of the news media, given the circumstance of the late arrival of the source documents.

**Councilman Weaver:** Let me say, they called me so somebody else brought the issue up. And so I just, you know, call it as I see it.

**David Garrett:** Other questions?

**Councilman O'Daniel:** *(Inaudible)* you are doing your job.

**David Garrett:** Thanks Conor.

**Councilman O'Daniel:** Ultimately, this body as a whole gets to decide whether or not we think you are doing your job or what is expected of you, not Russ Lloyd, not any one member of the Council. And I think anybody who has a problem with you ought to say it directly to your face and ask for a meeting and I do think that's appropriate. I also think that, to the extent that we have a committee, it's not a committee of one. You know John does a lot of work on this and I know you work with him closely on a lot of these issues but we've had committees of three, the Finance Committee, and I think that everybody on the Finance Committee ought to be copied on everything that goes through that committee. And so, that's just my personal...

**David Garrett:** That would be completely up to you folks. I mean we set up an arrangement whereby I would send my stuff straight to John and then, you know, how you choose to disseminate...I'm not going to send it outside. I won't, you know, blindside anybody by going to the media so it will come through you and how you choose to divvy it up, that's up to you,

**Councilwoman Brinkerhoff-Riley:** No, I think you did exactly what you were supposed to do in March. You sent a report to the Finance Chairman, who apparently chose not to disseminate it.

**President Robinson:** John does...John emails me on everything that Mr. Garrett sends and he also emails Dr. Adams.

**Councilwoman Brinkerhoff-Riley:** Yeah, and I'm satisfied with that because I sit here on City Council...this is my Finance Chairman and I have watched, over the last 18 months, the incredible amount of work that was created by the situation of the unreconciled bank statements. I not only am not qualified to be the Finance Chairman but I wouldn't do it. I wouldn't do it. I wouldn't put in the time for that because it's just amazing to me. He wanted to hire you because you have the expertise and he can work with you. That's all I need to hear and if my Finance Chairman, who I think is doing a fantastic job, is satisfied with your performance, then it's not...I'm not an accountant and I'm not going to micromanage that. He is satisfied. You're providing the assistance that he needs. I...for me, what's happening is exactly what is supposed to happen and I appreciate both of your work.

**Chairman Friend:** Yes, Dr. Adams.

**Councilman Adams:** Very briefly, I'd like to thank you for your work. We didn't hire you to be the bully pulpit, we didn't hire you to be the mouthpiece, we didn't hire you to be a debater. You have done what we've asked you to do and you've done it superbly and I thank you.

**David Garrett:** Thank you.

**President Robinson:** I think also you've done a good job. I'm sorry you have to go through this for \$9,000 when other people are paid a lot more.

**David Garrett:** Thanks Connie.

**Chairman Friend:** Do we have any other questions from members of Council? I'd like to, maybe at this juncture, because in light of everything that (*Inaudible*) maybe entertain a motion for a confidence, Vote of Confidence with Mr. Garrett. I entertain that motion.

**Councilman Adams:** I make the motion.

**Chairman Friend:** Okay, I got a motion by Dr. Adams and a second by Councilman Lindsey. Have an aye? Nays?

**Councilman Weaver:** So that's us, right?

(*Laughter*)

**President Robinson:** You know everyone has the right to their own opinion. It's not funny but they all have a right and, you know, maybe we need to find out why they feel that way.

**Chairman Friend:** Okay, what I wanted to do...

**President Robinson:** You want to tell us why you feel that way?

**Councilwoman Mosby:** We have tried to...we've reached out to David Garrett and he has yet to meet with us.

**President Robinson:** Okay did you....

**Chairman Friend:** Mr. Garrett (*Inaudible*) like to come up and address that issue. This has come up before. I want to know exactly, because this is important to me. If you're denying access...not to meet with our Councilmembers, that becomes an issue.

**David Garrett:** You see I've never even spoken to you so I don't know where that came from. Jonathan called me one time and wanted to go to lunch, talk about the arena construction, and I'm not being compensated for any work I might do as a citizen on the arena and I declined. So Missy I've never even spoken to you so I don't know how you can believe I've been denying you.

**Councilwoman Mosby:** I have requested through President Robinson to meet with you and I was told you declined.

**President Robinson:** No, lets clarify that. I called...and that was concerning Johnson Control because some of us had met with him on Johnson Control. Now that was just on his time, free time, he does not get compensated to talk to us about Johnson Control. I asked you would you be interested in talking with him on Johnson Control and you said you would. I called David and David said no, and I cannot blame David for saying no. David said I don't get paid for talking to them about Johnson Control. People, Councilmembers that have reached out to him and he was willing to talk to them, but you have never reached out to him on the bank reconciliations or anything. All he's heard is that, you know, Jonathan has ridiculed him in the paper and in the news so he didn't feel like he had to talk to him, and that's not part of his contract.

**David Garrett:** Yeah, I mean it's drawn-out...

**Councilman O'Daniel:** Yeah, this is the other thing. I reached out to you too to, you know, to make yourself available. I didn't know what the scope of the work was, you know, what your employment was. Sometimes those get blurred a little bit and so, cause you're doing a lot of work, some independent, some not, and I think this is probably a good forum to just delineate the scope of your work as it relates to the reconciliation process, not anything else, correct?

**David Garrett:** Yes, my contract is on file with the Board of Public Works and it's very clear. It's bank rec compliance.

**Councilman O'Daniel:** If anybody has any questions outside of that, you're a private citizen, and as it relates to that, you'll give us your time, correct?

**David Garrett:** Yes.

**Councilman O'Daniel:** Fair enough.

**Councilwoman Mosby:** And Mr. Garrett, I will be calling you and I will be setting up an appointment to meet with you.

**David Garrett:** About bank rec compliance.

**Councilwoman Mosby:** Absolutely.

**David Garrett:** Happy to meet with you. Thank you.

**Councilwoman Brinkerhoff-Riley:** I just wanted to point out, and you can go ahead and sit down, but you know, when the Johnson Control issue came up, Mr. Garrett was kind enough to spend some time with me and some of my colleagues in my office. When I understood that he was not comfortable meeting with Councilman Weaver and Mosby, I copied the material that Mr. Garrett had provided, at my own expense, and met with both of you for over an hour and made sure that you had the materials. I thought it resolved the dispute and it gave you the information, so I have to admit I was a little surprised to hear Councilman Weaver was so upset about not getting this Johnson Control information when you did get it. You just didn't get it directly from him.

**Councilman Weaver:** My recollection of that conversation, Mr. Garrett, was to talk about reconciliation also. I have a problem when the Controller writes back whatever...where did he go? Like I said before, he's incorrect on this, he makes incorrect assumptions, he incorrectly describes, his assertion simply not true, and I was called by Eye Witness News to go live with Brad Byrd because Mr. Friend committed to go. So I don't know how that was arranged but that appointment was made before I went on.

**Councilwoman Brinkerhoff-Riley:** That was a secondary story to your story the day before that you sought out.

**Councilman Weaver:** That still had nothing to do with it that story. Obviously, somebody was upset about it that brought it to their attention.

**Chairman Friend:** Well, I've got one more. A little exercise I gave out in front of all the Councilmembers, you got it in front of you. And I want...this is where...and it could be a reason for this and here is where Russ can give us a hand. I got it in front of you. I started the bank reconciliations as of March 31. And when you look at A, you look down, you see a reconciled balance, 29 thousand...\$508,516.21 per A. I got that at the very top. That's account #3768. Then I go down to account #3795; I got a reconciled balance, general ledger balance of \$14...\$1,9...\$1,497,747.10 here, number A. Number A...I means it's B. C, you go down, you got a balance of \$500, I mean \$900, I mean \$859,180.24, that's on here. Now, those are the three accounts that you're gonna find. They're in the Civil/City, okay, and those total \$31...the recs say the balance...the general ledger should be \$31,895,443.55. Then I went through, I'm doing the totality, then I go to the Water Department, account #365, I got the rec here, which is D. It says general ledger total to be \$5,870,516.21. Now I go down to the next one, which is E, which is the sewer part of it and that's account #7447, reconciled balance, general ledger of \$7,970,326.10 and it's on my rec here. Then I go to F, which is a bank rec from the Levee Department. That's \$1,610,905.20, a balance sheet item. So I come down to a total of \$47,316,690.06 is the total amount per the bank reconciliations.

Now Mr. Garret, we talked about that, that that is your general ledger total, way it should be, so now I'm looking at the financial statements, which I've given you a copy. On the next batch you'll see, which is \$109,921,667.21...and one penny and that shows up on this deal here. Then I go back to the next page, which is four million, four hundred...\$111,706,086.30, which is in the Levee Department and I put that on there so that gives me, per the total of our financial statements as of March, \$114,033,453.31. However, there is \$61,778,238.84 sitting in investments that are not in those bank accounts. They're sitting in about another 27 different bank accounts. If you look at your financial statements, you'll see the detail behind that.

Now you're gonna see \$59,000,000 but there is another \$2,200,000 sitting in the Levee Department, that's how we get the \$61,778,000. However, on the financial statements, we do not have the trust account, which has been left off. That's account #585. Account #558 is not on there or #559 not on there. That comes to be \$12,527,880...669.53 so I gotta add that back. But there is three accounts on there which are...they got another bank account so I took those off of there and that relates to accounts #836, #837, #838. I subtracted those out of there and I come down with a total of...per the financial statements of \$83,815,224.80...

**Unidentified Speaker:** 63

**Chairman Friend:**...63, whatever. I'm sorry...I...whatever. Okay now, here again, here's where we gotta get to the bottom of this. When I look at the reconciled items, which I gave to you, Exhibits A through E, you're finding that there's a difference of \$16,900...498,533.74. *(Inaudible)* a difference between the rec'd items, which I gave you, balance sheet items and the general ledger. The reported financial statements reconciled with different differences out of there. Now, I don't know. That's a big number and I hope there's something that...there's something in the financials that there's another bank account out there that could bring our reconciliation items up to what's been reported to us in the March statement.

**President Robinson:** Did you send Russ this information?

**Chairman Friend:** No, I just did this tonight. I did this before I came over here. I was...that's why I was running a little bit late cause I was writing...

**Councilman O'Daniel:** Your email... *(Inaudible)*

**Chairman Friend:** Well that was wrong...I was wrong on that all together cause there was a few items I had to get reconciled and Russ kind of helped me with that and cleared those up. That was not correct but these are the items that I got and I don't know. This...it's this thing...then when you go back in and you look at the last one I gave you, okay, you look at this particular deal, this is a front of the March statement. You got income of \$3,896,428.90 in the general operating fund, #101. And then we, I got in the back, I gave you the detail on the back. When you go to the back, back here, flip it to the last page, you'll see the detail says \$3,881,635.10. That's the detail behind every little item. It doesn't match that control totals by a tune of \$14,794.

**Councilman O'Daniel:** Well, I mean, and I'm just...

**Chairman Friend:** Do you think...the details got to match Conor.

**Councilman O'Daniel:** But do you think this is the proper time right now. You just did this. He hasn't an opportunity to see it to...

**Chairman Friend:** Well I know that.

**Councilman O'Daniel:**...to at least be able to explain that.

**Chairman Friend:** Well my point...I get that.

**Councilman O'Daniel:** Not everything is...not everything is jiving, right? That's the point.

**Chairman Friend:** And I just made that point. I said I'm sure there is something there I definitely missed cause I did this in a hurry.

**Councilman O'Daniel:** I think that's one of those things where rather than...my word would be ambush, okay, to throw these numbers out. It would be better to handle that...

**Chairman Friend:** Exactly.

**Councilman O'Daniel...**through emails and the like. Obviously Mr. Garrett is here as well and we can get an explanation for the next Council meeting.

**Chairman Friend:** Well that's what I kind of made a comment on. We can get an explanation with it and go from there cause I'm sure I missed something. I had to of.

With that, any other questions about the finances?

**President Robinson:** I think it's only fair that...

**Chairman Friend:** Yeah, Russ? Oh yeah Russ, come on up here. Yes.

**City Controller Lloyd:** Russ Lloyd, City Controller. Just wanted to...I'm going to try to be brief.

Mr. Garrett...reckless accusations. For example, in October he gave you in his October report that was produced in January, he indicated \$43,000 was missing from the Levee. Obviously not true. He suggested we might need to have a criminal investigation. Crazy.

**Councilwoman Brinkerhoff-Riley:** You know, look, I just want to stop...no, I actually want to stop you because I don't want

**Councilman Weaver:** No, let him go.

**Councilwoman Brinkerhoff-Riley:** No!

**Councilman Weaver:** No. You need to let him go and explain himself.

**Councilwoman Brinkerhoff-Riley:** I'm sorry. I have the floor.

**Councilman Weaver:** No. You need to let him explain himself.

**President Robinson:** I have the floor.

**Councilwoman Brinkerhoff-Riley:** You know I think the tone is way off balance and it's inappropriate.

**President Robinson:** We need to show each other respect.

**Councilman Weaver:** Okay.

**President Robinson:** He has the floor right now; let him continue.

**City Controller Lloyd:** The claim that we were holding these bank recs for 110 days, Mr. Garrett had sent me an email April 24 asking for the year-end December reconciliations, or at least those work papers, so at our end we thought he must still be working on his year-end, December 31, 2012 cause in April, January and February were completed. Then in May, I said we'd better send that stuff over to him; we hadn't heard anything from him.

Let me also, just for the record, the money being paid to HJ Umbaugh, CPAs, in 2012, for the full year, the City paid \$568,530 and from that total, the sewer bond, \$212,402, the water bond and the water rate increase, \$253,941, then an additional fund that went out of a bond issue was \$21,037, so the City, on the reconciliation, we paid Umbaugh \$81,150 in 2012. \$81,000. And then in 2013, year-to-date, which is through May 31, total paid to Umbaugh was \$263,259 and out of that total, \$177,448 to sewer for their bond issue that we refinanced, water, \$21,635 on some of their work, and then the City, \$64,175, so from January 1 of 2012 to now, at least for the City's portion, which is just not the bank rec, it's also budgetary assistance, year-end financial statement assistance, \$145,325. So the \$900,000, which is high, the total so far at \$831,789, but out of that total, the Water & Sewer has, you know, \$685,000 of it.

**Chairman Friend:** Russ, you give me some (*Inaudible*) because I asked for this...these two deals.

**City Controller Lloyd:** Right.

**Chairman Friend:** It was 800 for the two years, 11 and 12. I have invoices in my office that totaled up to \$845,000, and that's between the water, between the sewer, and the City. We had...there was...we also...so I think we had \$232,000 I think. Harding & Shymanski charged us between the Utility and over here, \$232,000. That's coming up (*Inaudible*)...

**City Controller Lloyd:** (*Inaudible*) I didn't come up with Harding & Shymanski totals (*Inaudible*).

**Chairman Friend:** Well I mean but in total we had a lot of money, over a million-one in the last 24 months and in total CPA fees

**President Robinson:** So that's without the bond issues?

**Chairman Friend:** That's with the bond issues and that's complete and absolute (*Inaudible*)

**City Controller Lloyd:** I mean, it's a lot of money, no question.

**Councilman O'Daniel:** That's advisory...

**City Controller Lloyd:** That's a lot of money.

**Chairman Friend:** I mean...I mean that's just the way it is.

**City Controller Lloyd:** And then a couple of other quick points. This...we don't plug. The bank accounts are reconciled. They were reconciled December 31, 2012. We've given Mr. Garrett several work papers related to the 7.5 million, which was Legacy Funds in the Water & Sewer, as was indicated. January 1, 2012, the Water & Sewer were kept inside the City account, and in fact the City swept all the balances out of Water and collected interest on it. Now there was a Water account set up early 2012 and the Sewer account was set up in July 2012, but part of that was a State Board recommendation that we ought to separate those out, it's a separate, a separate tax ID number. We've provided the work papers for that. We don't plug. The City bank accounts, as of December 31, balanced. What we ended up with was the \$18,300 that I'd



talked to you about before that showed more in the bank than on the books, and after spending some time trying to find that, we made a miscellaneous suggesting entry, put that in as Miscellaneous Revenue, so the account was zero as of December 31, 2012. Then we balanced January, February, March and April. Those have all been provided to Councilman Friend and Mr. Garrett, and I know he's going to work on the March.

I think this exercise that Councilman Friend had done, I've not had a chance to look at it, but I will have the Controller's Office to send you the March reconciliations if that would help. I suspect there are probably funds not included in there that should be, cause obviously, we show the account is in balance; we are not 16 million dollars.

**Chairman Friend:** Ah Russ, I mean I kind of...I don't mean to interrupt you (*Inaudible*) but keep in mind that's exactly what you sent to me is exactly what Mr. Garrett received, so if there are other explanations behind it, it wouldn't be fair to him unless he had all of it. Now I will say that that Excel sheet that you sent to me was helpful.

**City Controller Lloyd:** Yes.

**Chairman Friend:** We need to know, in every fund, exactly where that is. I'd recommend, if it could be done, that each fund will have the last four digits of the (*Inaudible*) of the bank account where that is. When we get these, okay, when we get these, I would like to see right over...and somewhere in there where I can see 3768. I know immediately that is money sitting in that bank account cause I got to go through, you know, I had to talk to you about this (*Inaudible*) pull this out.

**City Controller Lloyd:** There is a report in MUNIS that lists the funds and the bank accounts, like a glossary or something like that so we can send those out.

**Chairman Friend:** Well I mean we need those things. I mean...I really and truly need them. I'm sorry Russ, go ahead and continue.

**City Controller Lloyd:** So I guess the inquiries we've had, we have responded to, whether it's Mr. Garrett or Councilman Friend. We've kept logs the requests by Mr. Garrett just to make sure that we're not missing anything or that there are any problems. It's just as bank account reconciliation. He has FOI requests that we would keep a record of anyway, that's completely separate.

We provided the work papers on the 7.5 million and that's not a plug. We have a difference of opinion on that. You know you've got the CPA firm Umbaugh, you've got us. What we look at, we just have a disagreement with him; we don't agree that the City is imbalanced; we don't agree that we are sitting there plugging entries. We obviously can't do that. If you look at the Gateway totals, those are the correct totals. They are different from the Yellow Book because we use the old method to print out the Yellow Book totals and, in fact, I think we are probably going to need to revise that because the State Board does not want to see investment purchases and sales, adjusting entries, voided checks and things like that in the receipts and disbursements. They just want to see receipts and disbursements. So next year's Yellow Book will probably be different but it's a year-end management report the City gives to stakeholders and the State Board, they will go by the Gateway totals, which are the correct totals. That's what we put in

there. So there is other information in the Yellow Book besides just the balances and hopefully that can be useful, but the Gateway totals are the ones that are going to stand by the audit.

The conference that I'm going up to, there are going to be State Board people there. They had asked for Controllers and Deputies to attend too. I'm going to have a chance to talk to some of their senior people and just tell them what we've done in Evansville and see if they feel like we are on the right track. The last indication I had is that they would be in for the audit around the end of July so I'm going to try to firm-up whether that is correct or not.

**Councilman O'Daniel:** Can I ask you, I mean, obviously you've talked with Umbaugh and as far as *(Inaudible)* adjusting increases, okay, I mean there is not a 6.4 million dollar check here and you should have shifted it over. It's an adjusting entry to try to reconcile. Who did you consult with before making that decision to balance the books in that fashion?

**City Controller Lloyd:** The Umbaugh personnel, Dan Hedden and Jim Cameron, were the ones working on the Utility reconciliations and they were the ones that helped us determine that these were funds that the City had in our bank account that should have been in the Utility bank accounts.

**Councilman O'Daniel:** Do you know if they sought any advice from the State Board of Accounts or any other outside agency?

**City Controller Lloyd:** No, I don't know that.

**Councilman O'Daniel:** I didn't hear you.

**City Controller Lloyd:** No, not on that. And we feel like we have the work papers to justify what we did.

**Chairman Friend:** Russ, I got to ask a question. You just passed these April statements out to us, you know, and I went on to Page 8, *(Inaudible)* that we have total revenues of \$8,436,560, and when you go back to Page one, which is are control totals that go on the general fun, I'm not looking at the investment side, I'm just looking at the control totals. We got 80...we got \$8,512,610. Obviously, that's different. And when you go down and you look at the credit amounts in the control totals at \$24,371,000. When you flip to Page 19 in the detail, you see the total General Fund disbursements say \$26,731,810. There is where I'm getting heartburn, okay, because that's a big number. That's over...that puts our fund balance out by, if you went by the detail, put a fund balance out by 15 million not 13 million. I'm just asking the question I'm seeing in the financials that you handed out today. Members of Council, look at Page 18 or 19, you'll see total General Fund, \$26,731,850, the front side, and when you go to the credit side of it...and I went back to 2010. I thought maybe there was something different. So prior to MUNIS, it tied to the penny. If you back to the details, we didn't have this stuff back in 2010 when I went to my archives.

**President Robinson:** Are you still having problems with MUNIS?

**City Controller Lloyd:** No. I mean MUNIS is a different system. Some of these reports are the same reports that were used under the old system and we are going to have to adjust them.

**Chairman Friend:** Russ, you understand from an auditor's standpoint, they are going to go back to details. That's what we all do as auditors.

**City Controller Lloyd:** Right.

**Chairman Friend:** And when they go back up the front, they are going to see this number and they don't know which number to audit. Do they audit the 24 million or do they audit the 27 million? Which number do they audit?

**City Controller Lloyd:** We've got a report that is not this revenue report but it will tie to the correct number.

**Chairman Friend:** I don't know, I mean, the way I look it, you know we talked about this before, the integrity of financials need to be the readers. A third party readers have to read these and be able to determine this, determine just from the financials and themselves, it brings up questions. You know we talked about the investments, why we didn't have the...finally you did put the 858 in there to tie back to your investment totals which made it easy cause I was having a hard time understanding that and you clarified that for me but these financials got to speak for themselves.

**Councilman O'Daniel:** Well the year-end report is for the reader and the general public. These are the City's balances and this is what came in and what went out.

**Chairman Friend:** Well I mean the Yellow Book is off too. You got 74 million in revenues and you got 80 million sitting up there on the control totals.

**City Controller Lloyd:** That's what I'm saying...

**Chairman Friend:** I gave that to Councilman Weaver to look. Did you not notice that, Councilman Weaver, when you went through that?

**Councilman Weaver:** I noticed some discrepancies in the numbers. Again, I think it's our consultant's job to reconcile so *(Inaudible)* work.

**Chairman Friend:** Reconcile? What are you talking about?

**Councilman Weaver:** And work toward that to help...

**Chairman Friend:** He's not...he doesn't work in the Controller's Office! Are you kidding me? This body doesn't do their work over there. We're the oversight. We point things out. They fix them. That's the way it works.

**City Controller Lloyd:** Like I said...

**Councilman Adams:** Let me ask, Russ...

**City Controller Lloyd:** Go ahead.

**Councilman Adams:** This is really hard on you and you've got a long drive to go. Let me ask a philosophical question. When do you think the umbilical cord with Umbaugh can be cut?

**City Controller Lloyd:** Okay. As of right now they are not doing anything with bank recs. They basically finished that in February. February of 2013, which we reconciled probably in April.

**Councilman Adams:** So outside of bonding issues...

**City Controller Lloyd:** Outside of bonding and then just...we've had them assist us in getting ready for the State audit.

**Councilman Adams:** And after that, bye, bye Umbaugh.

**City Controller Lloyd:** Yes.

**President Robinson:** Well how much does that cost with them assisting you for the State audit?

**City Controller Lloyd:** I'll have to check. We...you know we've got a couple bills from the reconciliation work that we paid most of them; there may be one invoice left on that. I'll have to get you an estimate on what it cost for working with the State audit, but obviously, the City, we are going to do everything we can for a clean audit opinion this year.

**President Robinson:** Would it be less expensive if we get a couple CPAs, some more CPAs in the Controller's Office? People with different qualifications or...

**Chairman Friend:** I will say this Russ, in your defense, you got a hell of a job over there to do. This is a...you inherited a mess, in your defense, and I think...I know you've been working long hours. I get my people telling me you're there late into the evenings, and he does do a good...he does do long hours.

**President Robinson:** Well I've seen him here on Saturdays and Sundays.

**Chairman Friend:** He does...and you're grossly underpaid for the hours you put it. I know that, but what I've heard...Connie's comment is absolutely dead-on. Do you think we need more over there?

**City Controller Lloyd:** Well, you know, in two years, \$145,000. I mean that's a lot of money. They've been very helpful in assisting with some of the system problems and the computerization problems. Going forward, that's something we have to look at. I mean I don't know the answer to that standing right here.

**Councilwoman Brinkerhoff-Riley:** I have a question. What I heard you say when you took the podium, aside from coming out of box on the attack, was that you got an email from David Garrett in April that was related to the year-end and so you assumed that he was still working on 2012 and so when you finished the first three months of 13, you never bothered to send it to him. Basically, you sat up one day in May and said, "Oh gee, we've never sent him those and he's never asked for them. We ought to go ahead and just send them to him". Is that what happened? Because what I struggle with is I think you're a nice man, whatever, I think Dave Garrett is a

nice man, but this animosity that exists from end toward David Garrett is really...I don't understand it. You know, what he wrote in that initial report back in January made a rhetorical statement and you guys have...the Controller's Office has been so resistant. I mean you've been so attacking. And he...every time he appears here in Council, he never has anything to say like that about you. And I just don't understand why, as information is prepared, why isn't it just automatically forwarded to our consultant. Why are we still tracking information requests? Why is it incumbent on Councilman Friend and our consultant Garrett to ask for, cause what I see and what I've absorbed the last six months is if they don't ask for a specific document they don't get it. And then they flounder around confused and sometimes draw conclusions that are incorrect and then you've got this handy little report that MUNIS prints and then you'll show it to them, be like, "Oh, you know, this is why you're wrong". And then you have this like jewel of information that never bothered to make it over here. And so it's like there's this intentional attempt to make it difficult for him to draw his conclusions and I don't understand it.

**Chairman Friend:** May I ask, you know...we had a meeting in Ted's office, cause there was confusion between what David was doing as a private citizen, cause he's asked for a lot of Freedom of Information Act requests, and what he was doing from the standpoint of Council, which he could freely get the information without going through that. There was some confusion going on and we made it clear during that period, in that meeting, that I was going to be the liaison between you and between Jean over there to get it to me. That way we didn't have to worry about Mr. Garrett coming up, asking when it was coming in. And so everything should have been kind of flowing through me. And I along the way, Russ, felt that I didn't want each time come up when you had each month that went by say, "Russ, how's the bank recs coming?" I was trying to give you a wide berth to try to get that figured out. That's the reason why I didn't press you during those months. So obviously, we must have had a communication problem here.

**City Controller Lloyd:** I mean I don't have any professional animosity. If you have somebody...if you're an accountant and the other accountant says, "Oh, you just plugged all that stuff. You're out seven and a half million". I mean, how would you take it? How would you take it if someone told you that?

**Chairman Friend:** Happens every day.

**Councilman Adams:** Well I felt pretty confused when you didn't tell us until April that you had a problem in January, since you knew about it and you didn't tell us. He found out from some lady up in Indianapolis that we had trouble reconciling. The whole thing didn't show up til August. I agree with you. I don't understand why every month, when you have the information, you give it to John. There isn't some sort of pie in the sky, we are sorry we missed it, and so forth. There is a lag. There is a...and it may not be conscious, it may be subconscious for all I know. The bottom line here, there is a...there is this little game that goes on that we talked about. I mean you've told me that nobody asks you the questions so you didn't bother to...

**City Controller Lloyd:** Well and it's hard...the control

**Councilman Adams:**...open the lid about the fact that you...the previous administration left you with an incredible morass.

**City Controller Lloyd:** Right.

**Councilman Adams:** And I'm sure...you said you found out in February. Gosh, a huge morass.

**City Controller Lloyd:** Well, and we've kind of gone over that. You know we thought we are getting ready to reconcile...we are getting ready to reconcile, and it just didn't happen. And then here we are in the middle of summer, State Board is getting ready to come in. We finished our year-end close February 26 so that was the official closing of 12/31, so really the bank recs prior to that would not have been available. So we finished...but Jan...going to the new system the Treasury Funds, the bank recs have been much easier and fewer problems. There is still some work in the Utility that they are working through, and there are a lot of "exception" items.

But there is no reason why we can't get this on a regular schedule, get it to Mr. Garrett because that's what the Council desires.

**Councilman Adams:** Well I would get it to Mr. Friend.

**City Controller Lloyd:** Mr. Friend and Mr. Garrett.

**Councilman O'Daniel:** Well we have something set-up, right? People spent hours, days, trying to figure out what the procedure would be. Follow the procedure and hopefully, we can work together. This shouldn't be politicized. This is about what's best for the community.

**City Controller Lloyd:** Right.

**Councilman O'Daniel:** And we want to make sure it gets done and it gets done right and not try to score some political points by getting on TV or getting in the paper. That goes for everybody here. I mean we are all grownups and we all want to do what's best for the City and that includes getting this thing reconciled.

**City Controller Lloyd:** Right.

**Councilman O'Daniel:** It's been a long process. There is, you know, hindsight...yeah, things could have probably been done differently. But I'm really not worried what's happened over the last eight months or ten months, I'm worried about what's going on now and in the future. And if we can all sit down and put politics aside to get something done, well let's do it.

**City Controller Lloyd:** As the mayor had indicated, if you look at the rating agencies, they like what the City has done. We've presented information to them. It's...at least we are holding our own on the City's bond ratings. We've reconciled through April; we are working on May. We'll get...we've gotten all the April reports to Councilman Friend and Mr. Garrett so we'll go from there.

Okay, thank you.

**Chairman Friend:** Be safe going up to Fort Wayne. Take care.

Well with that, I guess we'll close this special meeting. Thank you Madam President for the time.

## **REPORTS AND COMMUNICATIONS**

### **IN YOUR JUNE 7<sup>TH</sup> PACKET:**

- \*City Council Meeting Agenda for June 10, 2013.
- \*Committee Meeting Schedule.
- \*Ordinances G-2013-9, G-2013-10, F-2013-6, and F-2013-7.
- \*Resolution C-2013-12.
- \*Rezoning Ordinances R-2013-10, R-2013-11, and R-2013-12.
- \*Area Plan Commission Meeting Minutes from May 9, 2013 and Staff Field Reports.

### **EMAILED MATERIAL:**

- \*City Council Meeting Minutes dated May 13, 2013 and May 20, 2013.

**President Robinson:** Is there a motion to receive, file and make these reports and communications a part of the minutes of the meeting?

Councilman O'Daniel moved and Councilwoman Mosby seconded the motion to receive, file and make these reports and communications a part of the minutes of the meeting. Voice vote. So ordered.

## **CONSENT AGENDA**

### **FIRST READING OF ORDINANCES OR RESOLUTIONS**

**ORDINANCE G-2013-9     A.S.D.     RILEY**  
An Ordinance amending the Municipal Code of the City of Evansville: Subdivision Code

**ORDINANCE G-2013-10     PUBLIC WORKS     O'DANIEL**  
An Ordinance to vacate certain public ways or public places within the city of Evansville, Indiana commonly known as a portion of a public alley and a portion of a public street, all being part of Armory Heights, a subdivision as per plat thereof recorded in Plat Book H, Page 265 in the office of the Recorder of Vanderburgh County, Indiana.

**ORDINANCE F-2013-6     FINANCE     FRIEND**  
An Ordinance of the Common Council of the City of Evansville authorizing transfers of appropriations, additional appropriations and repeal and re-appropriation of funds for various city funds

**ORDINANCE F-2013-7     FINANCE     FRIEND**  
An Ordinance of the Common Council of the City of Evansville authorizing appropriations and re-appropriations of funds within various departments (DMD)

**RESOLUTION C-2013-12     FINANCE     COUNCIL AS A WHOLE**  
A Resolution of the Common Council of the City of Evansville approving an ordinance of the Vanderburgh County Income Tax Council establishing the Percentage Credit allowed for Homesteads for 2014 and casting the votes of the Common Council of Evansville on said ordinance

**ORDINANCE R-2013-10 TO APC****R-4 TO C-4**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 1223 E. Riverside Drive

Petitioner: Americas Car Mart, Inc.  
Owners: Same  
Representative: Bret Sermersheim of Morley and Associates, Inc.  
District: Connie Robinson, Ward 4

**ORDINANCE R-2013-11 TO APC****C-4 TO R-2**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 3101 Broadway Avenue

Petitioner: Wayne A. Ellis  
Owners: Same  
Representative: Krista Lockyear, Attorney  
District: Al Lindsey, Ward 6

**ORDINANCE R-2013-12 TO APC****R-1 TO C-4 w/U&D Comm.**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 2913, 2915 Covert Ave. and 1617 McConnell Ave.

Petitioner: INCARRICO, LLC  
Owners: Steven Carrico  
Representative: SAME  
District: Missy Mosby, Ward 2

**Vice-President Adams:** Is there a motion to adopt the Consent Agenda as written?

Councilman Friend moved and Councilwoman Mosby seconded the motion to adopt the Consent Agenda as written. Voice vote. So ordered.

**CONSENT AGENDA****SECOND READING OF ZONING ORDINANCES****ORDINANCE R-2013-3 Amended FROM APC CO-2 w/U&D Comm. to CO-1 w/U&D Com.**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 11 Vann Avenue, Evansville, IN

Petitioner: Vicki L. Brasel  
Owners: Same  
Representative: Krista B. Lockyear, Attorney  
District: Dan McGinn, Ward 1

This petition comes forward with a recommendation for approval from the Area Plan Commission, having 9 affirmative votes and 2 abstentions.

**ORDINANCE R-2013-6 FROM APC****R-2 TO C-4**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 417, 419, 421, 423, 425, and 427 S. Evans Avenue

Petitioner: District of Evansville, Society of St. Vincent DePaul, Inc.  
By: Carolyn Harmon, Vice President  
Owners: (Same) by: Irma Williams, Church Trustee; Mavis Ellington, Finance Chair  
Representative: Bernardin Lochmueller & Associates, Inc.  
District: Connie Robinson, Ward 4



This petition comes forward with a recommendation for approval from the Area Plan Commission, having 10 affirmative votes.

**President Robinson:** I'll entertain a motion to adopt the Consent Agenda Second Reading of Zoning Ordinances and to accept the Area Plan Commission Report.

Councilman Friend moved and Councilman Weaver seconded the motion to adopt the Consent Agenda and to accept the Area Plan Commission report. Voice vote. So ordered.

Council now stands at Third Reading of Zoning Ordinances, which is final action.

### **REGULAR AGENDA**

#### **THIRD READING OF ZONING ORDINANCES**

##### **ORDINANCE R-2013-3 Amended FROM APC CO-2 w/U&D Comm. to CO-1 w/U&D Com.**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 11 Vann Avenue, Evansville, IN

Petitioner: Vicki L. Brasel

**Krista Lockyear:** Good afternoon Madam President, Members of Council. My name is Krista Lockyear. I am representing the petitioner on this rezoning request and we seek your support to rezone the property from C-2 with a Use and Development Commitment, I'm sorry, CO-2 with a Use and Development Commitment to CO-1 with a Use and Development Commitment.

This is the property at the corner of Vann and Lloyd Expressway that is Vicki Brasel's insurance agency, and Vicki has been here since here since 1988 as a State Farm Insurance agent. In 1988, she had to have this property rezoned and at that time, the Lloyd Expressway was new entity. Everybody was a little worried about the traffic coming off and onto Vann Avenue. Because of that, there was a development plan commitment required by Council at the time that limited the size of the building that Vicki could utilize. Over the last many, many years, Vicki has had one accident. It was by a patron coming into her property; it kind of happened interior to the properties so I'm pretty convinced that her ingress and egress there at Vann is safe and not a traffic hazard.

She started looking into expanding and remodeling her building just to add some additional staff. The building, being so old, is not ADA compliant. In order to do any remodeling, she is going to increase her square footage. We wanted to be here tonight to show you her drawings and plans but it is still a work in progress and we've reached a point where we have to allow you to vote on this rezoning petition or the Area Plan Commission vote becomes the final decision.

This does come to you with a unanimous recommendation of the Area Plan Commission, minus two abstentions. The two abstentions at the Area Plan Commission were Stacy Stevens, who owns the building adjacent to my client's property. Stacy had issued a letter of recommendation for the rezoning and support in favor of my client. The other one was...oh, I believe it was a gentleman, and I cannot recall who it was, but someone that had worked with Vicki as a consultant on the project. So, the abstentions had nothing to do with any reason to be against it.

Although we don't have plans yet, my client is determined to beautify this corner. She's talked to all her neighbors and we believe we have complete neighborhood support and would appreciate your approval of the rezoning.

**President Robinson:** Are there any questions or comments from any Councilmembers?

**Councilman O'Daniel:** I need to make a disclosure. Currently she running the State Farm agency in the building that I own and is paying rent. I don't think it poses a conflict but I just want to make that disclosure.

**Krista Lockyear:** Thank you.

**President Robinson:** So she is not located in...

**Councilman O'Daniel:** It's the building at the corner of Oak Hill and Lynch. She's kind of taking over the temporary State Farm agency.

**Krista Lockyear:** But she is actually operating out of Vann Avenue, that's her primary office and will continue to be. This is a rezoning only for her use.

**President Robinson:** Is there anyone in the audience that's for or against this rezoning?

Can I have a motion to adopt Ordinance R-2013-3 as amended?

Councilman McGinn moved and Councilwoman Mosby seconded the motion to adopt Ordinance R-2013-3 as amended and call the roll.

### **ROLL CALL**

**Ayes:** McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, Adams, O'Daniel, Weaver, Robinson

There being nine (9) Ayes and zero (0) Nays, Ordinance R-2013-3 as amended is hereby declared adopted.

**Krista Lockyear:** Thank you.

**President Robinson:** Sorry you had to wait tonight.

### **REGULAR AGENDA**

#### **THIRD READING OF ZONING ORDINANCES**

##### **ORDINANCE R-2013-6 FROM APC**

##### **R-2 TO C-4**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, more commonly known as 417, 419, 421, 423, 425, and 427 S. Evans Avenue

Petitioner: District of Evansville, Society of St. Vincent DePaul, Inc.

By: Carolyn Harmon, Vice President

**Jim Flynn:** Good evening Members of the Council, my name is Jim Flynn. I chair the board of the Evansville St. Vincent DePaul Society Thrift Store at 767 Walnut Street, on whose behalf I speak tonight.

We have contracted with the Bethel Fellowship Missionary Baptist Church for the purchase of six lots south of the thrift store on S. Evans Avenue. We have been in constant communication with them. I don't believe there is any opposition. The sale is subject to rezoning the property

from its present classification, R-2, to C-4, which is the zone classification required for the operation of our thrift store. The Area Plan Commission approved it unanimously and I ask for your favorable consideration this evening.

Thank you very much.

**President Robinson:** Are there any questions or any concerns about this rezoning from any Councilmembers? Is there anyone in audience that wants to speak for or against?

Is there a motion to adopt Ordinance R-2013-6 and call the roll?

Councilman O'Daniel moved and Councilwoman Mosby seconded the motion to adopt Ordinance R-2013-6 and call the roll.

### **ROLL CALL**

**Ayes:** McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, Adams, O'Daniel, Weaver, Robinson

There being nine (9) Ayes and zero (0) Nays, Ordinance R-2013-6 is hereby declared adopted.

I'm sorry you had to wait so long.

**Jim Flynn:** Thank you.

### **CONSENT AGENDA**

#### **SECOND READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE G-2013-8 as amended      A.S.D.      RILEY**

An Ordinance authorizing the installation and use of speed humps

### **COMMITTEE REPORTS:**

#### **A.S.D. COMMITTEE:**

#### **CHAIRWOMAN RILEY**

**Councilwoman Riley:** Madam President, your A.S.D. Committee met this evening to hear Ordinance G-2013-8 as amended and it comes forward with a do-pass recommendation.

**President Robinson:** Thank you Chairwoman Riley. Can I have a motion to adopt the Committee Report?

Councilwoman Mosby moved and Councilman Friend seconded the motion to adopt the Committee Reports and move this Ordinance to Third Reading. Voice vote. So ordered.

### **REGULAR AGENDA**

#### **THIRD READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE G-2013-8 as amended      A.S.D.      RILEY**

An Ordinance authorizing the installation and use of speed humps

**President Robinson:** Is there a motion to adopt Ordinance G-2013-8 as amended?

Councilwoman Brinkerhoff-Riley moved and Councilman Adams seconded the motion to adopt Ordinance G--2013-8 as amended and call the roll.

## **ROLL CALL**

**Ayes:** McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, Adams, O'Daniel, Weaver, Robinson

There being nine (9) Ayes and zero (0) Nays, Ordinance G-2013-8 as amended is hereby declared adopted.

## **MISCELLANEOUS BUSINESS**

There will not be a City Council Meeting next Monday, June 17, 2013. The next meeting of the Common Council will be Monday, June 24, 2013. Committee meetings will begin at 5:05 p.m. on June 24<sup>th</sup>.

**President Robinson:** Is there anything else under Miscellaneous?

Connie Whitman...Connie before you come forward, I think you put this on our desk and then we also have a response from Treasurer's Office. I think we are the wrong body to hear this. It should be going before the County Council or County Commission because this is a County issue.

**Unidentified Speakers:** *(Inaudible)*

**President Robinson:** What'd you say?

**Unidentified Speaker:** The DMD is City. So DMD has assessed, I guess, some fines on you and you want those fines to be removed?

**Connie Whitman:** *(Inaudible – Off Mike)*

**President Robinson:** Okay. I think a...yeah, and I saw that and they sent this to us but we are still not the body to make that decision and I think that...you see Mr. Schaefer over here to my right...you need to contact the Mayor's Office.

**Connie Whitman:** *(Inaudible – Off Mike)*

**President Robinson:** Mr. Schaefer? Okay, Mr. Schaefer is the Deputy Mayor and I think that you need to talk to him. He is here tonight and I would advise you probably to leave out now and talk with him while you have him here because he's the body, I'm not joking, he's the individual that you need to talk to about this cause the Department of Metropolitan Development reports directly to him.

**Connie Whitman:** *(Inaudible – Off Mike)*

**President Robinson:** And this has been going on for a long time, yeah, this has been going on for a long time.

**Connie Whitman:** *(Inaudible – Off Mike)*

**President Robinson:** Yeah, so that's the reason...Mr. Schaefer, would you be willing to meet with her?

Okay, okay Connie, why don't you leave and meet with Mr. Schaefer and I appreciate that.

Okay, Committee...is there anything else under Miscellaneous tonight?

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

Re: Ordinance F-2013-7

Date: June 24, 2013

Time: 5:05 p.m.

Notify: Lisa Angermeier (DMD)

**CHAIRMAN JOHN FRIEND**

Authorizing Additional Appropriations,  
transfer of appropriations

Re: Ordinance F-2013-6

Date: June 24, 2013

Time: 5:10 p.m.

Notify: Russell G. Lloyd/Janet Coudret

Authorizing Additional Appropriations,  
transfer of appropriations, and repeal and  
re-appropriation of funds

Re: Resolution C-2013-12

Date: 6-24-2013

Time: 5:10 p.m.

Notify:

Approving the Homestead Credit

**PUBLIC WORKS COMMITTEE:**

Re: Ordinance G-2013-10

Date: 6-24-13

Time: 5:15 p.m.

Notify: Bernardin Lochmueller

**CHAIRMAN CONOR O'DANIEL**

Petition to vacate certain public ways or  
places located within Armory Heights

**A.S.D. COMMITTEE:**

Re: Ordinance G-2013-9

Date: 6-24-13

Time: 5:20 p.m.

Notify: APC

**CHAIRWOMAN BRINKERHOFF RILEY**

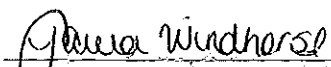
Amending the Subdivision Code of the  
Municipal Code Book


**ADJOURNMENT**

Thank you. Can I have a motion for adjournment?

Councilman O'Daniel moved and Councilwoman Brinkerhoff-Riley seconded the motion to adjourn. Voice Vote. So Ordered.

Meeting adjourned at 7:32 p.m.

  
Laura Windhorst, City Clerk

  
Constance Robinson, President